

KENNEDY-WILSON
INTERNATIONAL
REAL ESTATE MARKETING AND
INVESTMENT BANKING SERVICES

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May 31, 1995

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Office of the Secretary
FEDERAL COMMUNICATIONS COMMISSION
1919 M Street, NW
Washington, DC 20554

RE: *** INFORMAL FILING OF REPLY COMMENTS ***
NOTICE OF PROPOSED RULE MAKING
FCC 95-202
WT DOCKET NO. 95-69

Dear Sir:

As Vice-Chairman of the Board of Directors for KENNEDY-WILSON INTERNATIONAL, an international real estate auction-marketing and investment banking services company, I wish to make this informal filing of comments on behalf of KENNEDY-WILSON and the auction-marketing industry. These comments are based on our 18 years of experience in the auction business and our experience as having been the FCC's Auction Contractor for the December 1994 Broadband PCS Auction. The general comments which relate to procedural and payment issues are as follows:

Prospective bidders typically do not mind paying reasonable fees for information provided, however, they very much resent being "nickel and dined to death". The FCC should, for public relation reasons be sensitive to how they proceed, what items they charge for and the amounts charged.

Since the FCC has a commodity for sale which cannot be obtained elsewhere, they could potentially charge virtually any amount they want for providing services and information. For that reason it is imperative that the prospective bidder understands that the charges are for recovery of out of pocket expenses and are not a profit center for the FCC.

Given the above constraints, but recognizing that the value of items provided far exceeds the marginal cost of printing and postage for example, and include accounting for the monies received, KWI suggests the following:

- 1.) For BIN Service, charge each auction bidder a one-time fee equal to \$100 per license they are eligible to bid on plus a one-time flat fee of \$100. The Bidders will

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appreciate the one-time nature of the fee and your accounting will be simple. I estimate this fee for the December 1994 Broadband PCS Auction would have generated approximately \$100,000 of income for the FCC.

2.) For Bidder Information Packages, charge \$50-\$100 per copy. Also "office copies" should be available for review at FCC offices and Auction Information Center. We do not believe that it is necessary to provide one free copy of the Bidder Information Package to each person or entity for two reasons. First, by charging a reasonable fee, the truly interested parties will be quickly separated from those simply wanting "free" information with no understanding as to what the information deals with. Second, the concept of providing one free copy and then charging for subsequent copies requires the auction contractor to review every request to determine if a free package has previously been sent and then collecting the charge for the subsequent package. Depending upon the number of licenses being offered, this could be a monumental and time consuming task.

We concur with the belief that purchasers of Bidder Information Packages should be afforded the opportunity to pay this charge via credit card without restricting their ability to pay by personal or corporate check (Cashier's checks for \$50 to \$100 are not necessary). We would further recommend that the credit card processing account be a Government account. A Government provided credit card account will speed the flow of funds to the Treasury and will eliminate the reconciliation of merchant charges by the auction contractor.

Thank you for considering these comments. If you have any questions with regard to this filing or to any auction related issue, please feel free to contact me at (310) 314-8400.

Very truly yours,



William R. Stevenson
Vice-Chairman of the Board of Directors

KENNEDY-WILSON INTERNATIONAL
2950 31st. Street, Suite 300
Santa Monica, CA 90405

cc: Muriel Watkins, FCC Auctions Program Manager